

17 December 2015

MirLand Development Corporation plc

(“MirLand” or the “Company”)

Update regarding the Settlement Plan and Bonds Rating

MirLand, one of Russia's leading residential and commercial property developers, announces that, further to the Company's previous announcements regarding the approval of the Series (A-F) bondholders (the “**Bondholders**”) to the Settlement Plan with the Company (the “**Settlement Plan**”), the Bondholders in a joint meeting convened on December 15, 2015, consented to the following amendments to the Settlement Plan:

1. The final date for the completion of the conditions precedent under the Settlement Plan will be extended to February 28, 2016.
2. To the extent JEC, IBC or Darban ("the Company's controlling shareholders") (the “**Controlling Companies**”) decide, at their sole discretion, to provide funds to the Company prior to completion of the Settlement Plan, such funds will be considered as an Advance Payment (as defined in the Settlement Plan).and as such will be deducted from the total amount required to be provided by the Controlling Companies to the Company under the Settlement Plan . To the extent that the settlement under the Settlement Plan does not complete by the final date, the terms of repayment of the Advance Payment, including the interest rate payable by the Company and the maturity date, are to be agreed between the Controlling Companies and the Company, subject to all approvals that are required.

In addition, the Company announces that Midroog, a subsidiary of Moody's Investor Services, the credit rating agency, set the credit rating for MirLand's Series A, B, D, E and F Bonds to B3 with negative outlook on a local Israeli scale.

For further information, please visit www.mirland-development.com, or contact:

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